

AMENDED IN ASSEMBLY APRIL 12, 2016

AMENDED IN ASSEMBLY APRIL 7, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 1574**

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**Introduced by Assembly Member Chiu**  
**(Principal coauthor: Assembly Member Ting)**  
(Principal coauthor: Senator Hill)

January 4, 2016

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An act to ~~amend~~ *amend, repeal, and add* Sections 1042 and 5374.5 of, and to add Sections 1042.2 and 5374.4 to, the Public Utilities Code, and to add Section 1686 to the Vehicle Code, relating to vehicles.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1574, as amended, Chiu. Vehicles of charter-party carriers of passengers and passenger stage corporations.

Existing law provides for the Department of Motor Vehicles to register vehicles used on the public streets and highways and to verify insurance coverage. Existing law provides for the Public Utilities Commission to regulate certain classes of passenger carriers, including charter-party carriers of passengers and passenger stage corporations, and to issue certificates or permits in that regard. Existing law requires the Department of the California Highway Patrol to regulate the safe operation of certain classes of vehicles, including buses and modified limousines. Existing law requires charter-party carriers of passengers and passenger stage corporations to report the vehicles they use in their operations to the commission. A violation of provisions governing charter-party carriers of passengers and passenger stage corporations is a crime.

This bill would require the Department of Motor Vehicles, in issuing or renewing a commercial vehicle registration, to require the owner of a bus, limousine, or modified limousine used by a charter-party carrier of passengers or a passenger stage corporation to disclose the name of the carrier or corporation that will be using the vehicle in its operations. The bill would require the Public Utilities Commission, in collaboration with the Department of Motor Vehicles, to annually verify that the buses, limousines, and modified limousines used by a carrier or corporation have been reported to the commission by the carrier or corporation, would require the carriers and corporations to provide the commission with vehicle registration information for each vehicle, and would prohibit the commission from issuing or renewing a noncompliant carrier's or corporation's permit, certificate, or authority. The bill would require the Department of Motor Vehicles to notify the Public Utilities Commission when a charter-party carrier of passengers or a passenger stage corporation first registers a bus, limousine, or modified limousine with the department, and to provide information to the commission that will allow the commission to identify the vehicle. The bill would require the commission, with respect to those newly registered buses, limousines, or modified limousines, to ensure that the vehicles meet all statutory and regulatory requirements for safe operation. The bill, upon the commission becoming aware of a bus, limousine, or modified limousine of a charter-party carrier of passengers or a passenger stage corporation that has not been reported to the commission by the carrier or corporation, would require the commission to immediately take steps to require the carrier or corporation to update its reporting of vehicles to the commission and to request the Department of the California Highway Patrol to conduct a safety inspection of the vehicle. ~~The bill would prohibit use of such a bus, limousine, or modified limousine to transport passengers in the absence of securing a satisfactory rating from the Department of the California Highway Patrol, and would authorize a law enforcement agency to impound a bus, limousine, or modified limousine operated in violation of this provision. All of these provisions of the bill would become operative on January 1, 2018.~~ Because a violation of certain provisions of the bill would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 1042 of the Public Utilities Code is~~  
2     ~~amended to read:~~

3     ~~1042. (a) Every passenger stage corporation shall furnish the~~  
4     ~~commission annually with a list, prepared under oath, of all~~  
5     ~~vehicles used in transportation for compensation during the~~  
6     ~~preceding year, including the vehicle registration information for~~  
7     ~~each vehicle. This list shall include and identify each modified~~  
8     ~~limousine and the terminal location of each modified limousine.~~  
9     ~~The commission shall furnish a copy of this list identifying each~~  
10    ~~modified limousine and its terminal location to the Department of~~  
11    ~~the California Highway Patrol. The commission shall also furnish~~  
12    ~~a copy of this list to the corporation's insurer, if the corporation's~~  
13    ~~accident liability protection is provided by a policy or policies of~~  
14    ~~insurance.~~

15    ~~(b) The commission shall not issue or continue in effect any~~  
16    ~~permit, certificate, or authority of a passenger stage corporation~~  
17    ~~that has not submitted the list required by subdivision (a) or the~~  
18    ~~fees required for inspection pursuant to Section 34500.4 of the~~  
19    ~~Vehicle Code and any associated penalties, if applicable.~~

20    ~~(c) If the passenger stage corporation's insurer informs the~~  
21    ~~commission that the corporation has failed to obtain insurance~~  
22    ~~coverage for any vehicle reported on the list, the commission may,~~  
23    ~~in addition to any other applicable penalty provided in this part,~~  
24    ~~for a first occurrence, suspend the corporation's certificate or~~  
25    ~~impose a fine, or both, and for a second or subsequent occurrence~~  
26    ~~may suspend or revoke the certificate or impose a fine, or both.~~

27    ~~(d) As used in this section and Section 1042.1, "modified~~  
28    ~~limousine" means any vehicle that has been modified, altered, or~~  
29    ~~extended in a manner that increases the overall wheelbase of the~~  
30    ~~vehicle, exceeding the original equipment manufacturer's published~~  
31    ~~wheelbase dimension for the base model and year of the vehicle,~~  
32    ~~in any amount sufficient to accommodate additional passengers~~  
33    ~~with a seating capacity of not more than 10 passengers including~~

1 the driver, and is used in the transportation of passengers for hire.  
2 For purposes of this subdivision, “wheelbase” means the  
3 longitudinal distance between the vertical centerlines of the front  
4 and rear wheels.

5 *SECTION 1. Section 1042 of the Public Utilities Code is*  
6 *amended to read:*

7 1042. (a) Every passenger stage corporation shall furnish the  
8 commission annually with a list, prepared under oath, of all  
9 vehicles used in transportation for compensation during the  
10 preceding year. This list shall include and identify each modified  
11 limousine and the terminal location of each modified limousine.  
12 The commission shall furnish a copy of this list identifying each  
13 modified limousine and its terminal location to the Department of  
14 the California Highway Patrol. The commission shall also furnish  
15 a copy of this list to the corporation’s insurer, if the corporation’s  
16 accident liability protection is provided by a policy or policies of  
17 insurance.

18 (b) The commission shall not issue or continue in effect any  
19 permit, certificate, or authority of a passenger stage corporation  
20 that has not submitted fees required for inspection pursuant to  
21 Section 34500.4 of the Vehicle Code and any associated penalties,  
22 if applicable.

23 (c) If the passenger stage corporation’s insurer informs the  
24 commission that the corporation has failed to obtain insurance  
25 coverage for any vehicle reported on the list, the commission may,  
26 in addition to any other applicable penalty provided in this part,  
27 for a first occurrence, suspend the corporation’s certificate or  
28 impose a fine, or both, and for a second or subsequent occurrence  
29 may suspend or revoke the certificate or impose a fine, or both.

30 (d) As used in this section and Section 1042.1, “modified  
31 limousine” means any vehicle that has been modified, altered, or  
32 extended in a manner that increases the overall wheelbase of the  
33 vehicle, exceeding the original equipment manufacturer’s published  
34 wheelbase dimension for the base model and year of the vehicle,  
35 in any amount sufficient to accommodate additional passengers  
36 with a seating capacity of not more than 10-passengers passengers,  
37 including the driver, and is used in the transportation of passengers  
38 for hire. For purposes of this subdivision, “wheelbase” means the  
39 longitudinal distance between the vertical centerlines of the front  
40 and rear wheels.

1     (e) *This section shall remain in effect only until January 1, 2018,*  
2     *and as of that date is repealed, unless a later enacted statute, that*  
3     *is enacted before January 1, 2018, deletes or extends that date.*

4     SEC. 2. *Section 1042 is added to the Public Utilities Code, to*  
5     *read:*

6     1042. (a) *Every passenger stage corporation shall furnish the*  
7     *commission annually with a list, prepared under oath, of all*  
8     *vehicles used in transportation for compensation during the*  
9     *preceding year, including the vehicle registration information for*  
10    *each vehicle. This list shall include and identify each modified*  
11    *limousine and the terminal location of each modified limousine.*  
12    *The commission shall furnish a copy of this list identifying each*  
13    *modified limousine and its terminal location to the Department of*  
14    *the California Highway Patrol. The commission shall also furnish*  
15    *a copy of this list to the corporation's insurer, if the corporation's*  
16    *accident liability protection is provided by a policy or policies of*  
17    *insurance.*

18    (b) *The commission shall not issue or continue in effect any*  
19    *permit, certificate, or authority of a passenger stage corporation*  
20    *that has not submitted the list required by subdivision (a) or the*  
21    *fees required for inspection pursuant to Section 34500.4 of the*  
22    *Vehicle Code and any associated penalties, if applicable.*

23    (c) *If the passenger stage corporation's insurer informs the*  
24    *commission that the corporation has failed to obtain insurance*  
25    *coverage for any vehicle reported on the list, the commission may,*  
26    *in addition to any other applicable penalty provided in this part,*  
27    *for a first occurrence, suspend the corporation's certificate or*  
28    *impose a fine, or both, and for a second or subsequent occurrence*  
29    *may suspend or revoke the certificate or impose a fine, or both.*

30    (d) *As used in this section and Section 1042.1, "modified*  
31    *limousine" means any vehicle that has been modified, altered, or*  
32    *extended in a manner that increases the overall wheelbase of the*  
33    *vehicle, exceeding the original equipment manufacturer's published*  
34    *wheelbase dimension for the base model and year of the vehicle,*  
35    *in any amount sufficient to accommodate additional passengers*  
36    *with a seating capacity of not more than 10 passengers, including*  
37    *the driver, and is used in the transportation of passengers for hire.*  
38    *For purposes of this subdivision, "wheelbase" means the*  
39    *longitudinal distance between the vertical centerlines of the front*  
40    *and rear wheels.*

1     (e) *This section shall become operative on January 1, 2018.*

2     ~~SEC. 2.~~

3     ~~SEC. 3.~~ Section 1042.2 is added to the Public Utilities Code,  
4 to read:

5     1042.2. (a) The commission, in collaboration with the  
6 Department of Motor Vehicles, shall, on an annual basis, verify  
7 that the buses, limousines, and modified limousines used by a  
8 passenger stage corporation have been reported to the commission  
9 by the corporation.

10    (b) The commission, with respect to newly registered buses,  
11 limousines, or modified limousines of passenger stage corporations  
12 reported by the Department of Motor Vehicles to the commission  
13 pursuant to Section 1686 of the Vehicle Code, shall ensure that  
14 the newly registered buses, limousines, or modified limousines  
15 meet all statutory and regulatory requirements for safe operation.

16    (c) ~~(1)~~ If the commission becomes aware, pursuant to Section  
17 1686, of a newly registered bus, limousine, or modified limousine  
18 of the passenger stage corporation that has not been reported to  
19 the commission by the corporation, the commission shall  
20 immediately take steps to require the corporation to update its  
21 reporting of buses, limousines, and modified limousines to the  
22 commission and to request the Department of the California  
23 Highway Patrol to conduct a safety inspection of the bus,  
24 limousine, or modified limousine.

25    ~~(2) A passenger stage corporation may not transport passengers~~  
26 ~~on a bus, limousine, or modified limousine described in paragraph~~  
27 ~~(1) in the absence of securing a satisfactory rating from the~~  
28 ~~Department of the California Highway Patrol for the bus,~~  
29 ~~limousine, or modified limousine. A bus, limousine, or modified~~  
30 ~~limousine operated in violation of this section may be impounded~~  
31 ~~by a law enforcement agency.~~

32    ~~(3) The commission may impose a penalty against the affected~~  
33 ~~corporation for a violation of paragraph (2) and may suspend or~~  
34 ~~revoke the corporation's operating certificate, as provided in this~~  
35 ~~article.~~

36    (d) *This section shall become operative on January 1, 2018.*

37    ~~SEC. 3.~~

38    ~~SEC. 4.~~ Section 5374.4 is added to the Public Utilities Code,  
39 to read:

1 5374.4. (a) The commission, in collaboration with the  
2 Department of Motor Vehicles, shall, on an annual basis, verify  
3 that the buses, limousines, and modified limousines used by a  
4 charter-party carrier of passengers have been reported to the  
5 commission by the carrier.

6 (b) The commission, with respect to newly registered buses,  
7 limousines, or modified limousines of charter-party carriers of  
8 passengers reported by the Department of Motor Vehicles to the  
9 commission pursuant to Section 1686 of the Vehicle Code, shall  
10 ensure that the newly registered buses, limousines, or modified  
11 limousines meet all statutory and regulatory requirements for safe  
12 operation.

13 (c) ~~(1)~~ If the commission becomes aware, pursuant to Section  
14 1686, of a newly registered bus, limousine, or modified limousine  
15 of the charter-party carrier of passengers that has not been reported  
16 to the commission by the carrier, the commission shall immediately  
17 take steps to require the carrier to update its reporting of buses,  
18 limousines, and modified limousines to the commission and to  
19 request the Department of the California Highway Patrol to conduct  
20 a safety inspection of the bus, limousine, or modified limousine.

21 ~~(2) A charter-party carrier of passengers may not transport~~  
22 ~~passengers on a bus, limousine, or modified limousine subject to~~  
23 ~~a safety inspection pursuant to paragraph (1) in the absence of~~  
24 ~~securing a satisfactory rating from the Department of the California~~  
25 ~~Highway Patrol for the bus, limousine, or modified limousine. A~~  
26 ~~bus, limousine, or modified limousine operated in violation of this~~  
27 ~~section may be impounded by a law enforcement agency.~~

28 ~~(3) The commission may impose a penalty against the affected~~  
29 ~~carrier for a violation of paragraph (2) and may suspend or revoke~~  
30 ~~the carrier's operating certificate or permit, as provided in this~~  
31 ~~chapter.~~

32 *(d) This section shall become operative on January 1, 2018.*

33 SEC. 4. ~~Section 5374.5 of the Public Utilities Code is amended~~  
34 ~~to read:~~

35 ~~5374.5. (a) Each charter-party carrier of passengers shall~~  
36 ~~furnish both the Department of the California Highway Patrol and~~  
37 ~~the commission annually a list, prepared under oath, of all buses,~~  
38 ~~limousines, and modified limousines used in transportation for~~  
39 ~~compensation, including the vehicle registration information for~~  
40 ~~each vehicle. The commission shall furnish a copy of the list to~~

1 the carrier's insurer, if the carrier's accident liability protection is  
2 provided by a policy of insurance. This subdivision does not apply  
3 to a charter-party carrier of passengers engaged in the provision  
4 of a hired driver service when a rented motor vehicle is being  
5 operated by the hired driver.

6 (b) ~~If the charter-party carrier's insurer informs the commission~~  
7 ~~that the carrier has failed to obtain insurance coverage for any~~  
8 ~~vehicle reported on the list, the commission may, in addition to~~  
9 ~~any other penalty provided in this chapter, for a first occurrence,~~  
10 ~~suspend the carrier's certificate or permit or impose a fine, or both,~~  
11 ~~and for a second or subsequent occurrence may suspend or revoke~~  
12 ~~the certificate or impose a fine, or both.~~

13 (e) ~~The commission shall not issue or continue in effect any~~  
14 ~~permit or certificate of a charter-party carrier of passengers that~~  
15 ~~has not submitted the list required by subdivision (a).~~

16 *SEC. 5. Section 5374.5 of the Public Utilities Code is amended*  
17 *to read:*

18 5374.5. (a) At the time of each bus terminal inspection  
19 conducted by the Department of the California Highway Patrol  
20 pursuant to subdivision (c) of Section 34501 of the Vehicle Code,  
21 every charter-party carrier of passengers shall furnish both the  
22 Department of the California Highway Patrol and the commission  
23 a list, prepared under oath, of all vehicles used in transportation  
24 for compensation during the period since the last inspection. The  
25 commission shall furnish a copy of the list to the carrier's insurer,  
26 if the carrier's accident liability protection is provided by a policy  
27 of insurance. This subdivision does not apply to a charter-party  
28 carrier of passengers engaged in the provision of a hired driver  
29 service when a rented motor vehicle is being operated by the hired  
30 driver.

31 (b) If the charter-party carrier's insurer informs the commission  
32 that the carrier has failed to obtain insurance coverage for any  
33 vehicle reported on the list, the commission may, in addition to  
34 any other penalty provided in this chapter, for a first occurrence,  
35 suspend the carrier's certificate or permit or impose a fine, or both,  
36 and for a second or subsequent occurrence may suspend or revoke  
37 the certificate or impose a fine, or both.

38 (c) *This section shall remain in effect only until January 1, 2018,*  
39 *and as of that date is repealed, unless a later enacted statute, that*  
40 *is enacted before January 1, 2018, deletes or extends that date.*



1     *SEC. 6. Section 5374.5 is added to the Public Utilities Code,*  
2     *to read:*

3     5374.5. (a) *Each charter-party carrier of passengers shall*  
4     *furnish annually to both the Department of the California Highway*  
5     *Patrol and the commission a list, prepared under oath, of all buses,*  
6     *limousines, and modified limousines used in transportation for*  
7     *compensation, including the vehicle registration information for*  
8     *each vehicle. The commission shall furnish a copy of the list to the*  
9     *carrier's insurer, if the carrier's accident liability protection is*  
10    *provided by a policy of insurance. This subdivision does not apply*  
11    *to a charter-party carrier of passengers engaged in the provision*  
12    *of a hired driver service when a rented motor vehicle is being*  
13    *operated by the hired driver.*

14    (b) *If the charter-party carrier's insurer informs the commission*  
15    *that the carrier has failed to obtain insurance coverage for any*  
16    *vehicle reported on the list, the commission may, in addition to*  
17    *any other penalty provided in this chapter, for a first occurrence,*  
18    *suspend the carrier's certificate or permit or impose a fine, or*  
19    *both, and for a second or subsequent occurrence may suspend or*  
20    *revoke the certificate or impose a fine, or both.*

21    (c) *The commission shall not issue or continue in effect any*  
22    *permit or certificate of a charter-party carrier of passengers that*  
23    *has not submitted the list required by subdivision (a).*

24    (d) *This section shall become operative on January 1, 2018.*

25    ~~SEC. 5.~~

26    *SEC. 7. Section 1686 is added to the Vehicle Code, to read:*

27    1686. (a) *The department, in issuing or renewing a*  
28    *commercial vehicle registration, shall require the owner of a bus,*  
29    *limousine, or modified limousine used by a charter-party carrier*  
30    *of passengers or a passenger stage corporation to disclose the name*  
31    *of the carrier or corporation that will be using the vehicle in its*  
32    *operations. The department shall notify the Public Utilities*  
33    *Commission when a charter-party carrier of passengers or a*  
34    *passenger stage corporation first registers a bus, limousine, or*  
35    *modified limousine with the department, and shall provide*  
36    *information to the commission that will allow the commission to*  
37    *identify the vehicle.*

38    (b) *This section shall become operative on January 1, 2018*

1     ~~SEC. 6.~~  
2     *SEC. 8.* No reimbursement is required by this act pursuant to  
3     Section 6 of Article XIII B of the California Constitution because  
4     the only costs that may be incurred by a local agency or school  
5     district will be incurred because this act creates a new crime or  
6     infraction, eliminates a crime or infraction, or changes the penalty  
7     for a crime or infraction, within the meaning of Section 17556 of  
8     the Government Code, or changes the definition of a crime within  
9     the meaning of Section 6 of Article XIII B of the California  
10    Constitution.